

AMENDED IN ASSEMBLY APRIL 5, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 2242

Introduced by Committee on Public Employees, Retirement and Social Security (Torrico (Chair), Jones, Mullin, and Negrete McLeod)

February 22, 2006

An act to add Part 6.1 (commencing with Section 22959.1) to Division 5 of Title 2 of, ~~and to repeal Section 22915 of,~~ the Government Code, relating to public employee health benefits, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2242, as amended, Committee on Public Employees, Retirement and Social Security. Public employee health benefits: vision care: annuitants.

Existing law provides in the State Treasury the State Annuitants' Vision Care Benefits Fund that is, upon appropriation by the Legislature, available to the Board of Administration of the Public Employees' Retirement System for expenditure solely for the provision of vision care benefits to state annuitants.

This bill would ~~repeal that provision, and would instead~~ *additionally* establish a vision care program for specified state annuitants and their dependents. The bill would require the Department of Personnel Administration to administer the program, and would create the Vision Care Program for State Annuitants Fund, which would be continuously appropriated for those purposes. The bill would also require the department to report to the Legislature with regard to the

economic sustainability of the program, and would allow for the termination of the program upon a specified circumstance.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 22915 of the Government Code is~~
2 ~~repealed.~~

3 ~~SEC. 2.~~

4 ~~SECTION 1.~~ Part 6.1 (commencing with Section 22959.1) is
5 added to Division 5 of Title 2 of the Government Code, to read:

6
7 PART 6.1. VISION CARE PROGRAM FOR STATE
8 ANNUITANTS
9

10 22959.1. This part shall be known and may be cited as the
11 Vision Care Program for State Annuitants. The purpose of this
12 part is to do all of the following:

13 (a) Promote increased economy and efficiency in the provision
14 of vision benefits to annuitants.

15 (b) Enable the state to use economies of scale to provide a
16 vision care plan similar to those commonly provided in private
17 industry and in other states.

18 (c) Recognize and protect the state's investment in each
19 permanent employee's service by providing into retirement the
20 option of a vision care program, and to promote and preserve
21 continued good health among state annuitants.

22 22959.2. The Vision Care Program for State Annuitants shall
23 be administered by the Department of Personnel Administration.

24 22959.3. Unless otherwise indicated, the definition of terms
25 in Article 2 (commencing with Section 22760) of Part 5 apply to
26 this part.

27 22959.4. (a) An annuitant who retires from the state may
28 enroll in a vision care plan offered under this part, if any of the
29 following apply:

30 (1) The annuitant was enrolled in a health benefit plan, a
31 dental care plan, or vision care plan at the time of separation for
32 retirement, and retired within 120 days of the date of separation.

1 (2) The annuitant was not enrolled in a health benefit plan, a
2 dental care plan, or vision care plan at the time of separation for
3 retirement, but was eligible for enrollment as an employee at the
4 time of separation for retirement, and retired within 120 days of
5 the date of separation.

6 (3) The annuitant is part of the Legislators' Retirement System
7 receiving an allowance pursuant to Article 6 (commencing with
8 Section 9359) of Chapter 3.5 of Part 1 of Division 2.

9 (b) The Department of Personnel Administration has no duty
10 to locate or notify any annuitant who may be eligible to enroll, or
11 to provide names or addresses to any person, agency, or entity for
12 the purpose of notifying those annuitants.

13 22959.5. (a) A person who was enrolled in a vision care plan
14 at the time he or she became an annuitant under state or federal
15 provisions, may continue his or her enrollment, including eligible
16 family members, without discrimination as to benefit coverage as
17 an enrolled person within this program. An annuitant who is
18 eligible for this program is a person who meets the requirements
19 of Section 22959.4 and at the time of retirement was employed
20 with the state as one of the following:

21 (1) A civil service employee of the state.

22 (2) An elected member of the Legislature.

23 (3) A legislative employee.

24 (4) A constitutional officer.

25 (5) An employee of the judicial branch of state government.

26 (b) Annuitants of the California State University and
27 University of California systems may not participate in this
28 program.

29 22959.6. (a) The Department of Personnel Administration
30 may contract with one or more vision care plans for annuitants
31 and eligible family members, provided the carrier or carriers
32 have operated successfully in the area of vision care benefits for
33 a reasonable period, as determined by the Department of
34 Personnel Administration.

35 (b) The Department of Personnel Administration, as the
36 program administrator, has full administrative authority over this
37 program and associated funds and shall require the monthly
38 premium to be paid by the annuitant for the vision care plan. The
39 premium to be paid by the annuitant shall be deducted from his
40 or her monthly allowance. A vision care plan or plans provided

1 under this authority shall be funded by the annuitants' premium.
2 All premiums received from annuitants shall be deposited in the
3 Vision Care Program for State Annuitants Fund, which is hereby
4 created in the State Treasury. Any income earned on the moneys
5 in the Vision Care Program for State Annuitants Fund shall be
6 credited to the fund. Notwithstanding Section 13340 of the
7 Government Code, moneys in the fund are hereby continuously
8 appropriated for the purposes specified in subdivision (d).

9 (c) An annuitant may enroll in a vision care plan provided by
10 a carrier that also provides a health benefit plan pursuant to
11 Section 22850 if the employee or annuitant is also enrolled in the
12 health benefit plan provided by that carrier. However, nothing in
13 this section may be construed to require an annuitant to enroll in
14 a vision care plan and a health benefit plan provided by the same
15 carrier. An annuitant enrolled in this program shall only enroll
16 into a vision plan or vision plans contracted for by the
17 Department of Personnel Administration.

18 (d) No contract for a vision care plan may be entered into
19 unless the Department of Personnel Administration determines it
20 is reasonable to do so. Notwithstanding any other provision of
21 law, any premium moneys paid into this program by annuitants
22 for the purposes of the annuitant vision care plan that is
23 contracted for shall be used for the cost of providing vision care
24 benefits to eligible, enrolled annuitants and their eligible and
25 enrolled dependents, the payment of claims for those vision
26 benefits, and the cost of administration of the vision care plan or
27 plans under this vision care program, those costs being
28 determined by the Department of Personnel Administration.

29 (e) If the Director of the Department of Personnel
30 Administration determines that it is not economically feasible to
31 continue this program anytime after its commencement, the
32 Director may, upon written notice to enrollees and to the
33 contracting plan or plans, terminate this program within a
34 reasonable time. The notice of termination to the plan or plans
35 shall be determined by the Department of Personnel
36 Administration. The notice to enrollees of the termination of the
37 program shall commence no later than three months prior to the
38 actual date of termination of the program.

39 (f) Premium rates for this program shall be determined by the
40 Department of Personnel Administration in conjunction with the

1 contracted plan or plans and shall be considered separate and
2 apart from active employee premium rates.
3 (g) The Director shall report to the Legislature, prior to the end
4 of the second quarter of the third plan year, on the continued
5 economic sustainability of the Vision Care Program for State
6 Annuitants.

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